



## **PROTOCOL OF INTENT**

***BETWEEN THE SECURITIES INSPECTORATE  
OF THE REPUBLIC OF ESTONIA,  
LITHUANIAN SECURITIES COMMISSION AND  
THE SECURITIES MARKET COMMISSION OF  
THE REPUBLIC OF LATVIA***

The Securities Inspectorate of the Republic of Estonia, Lithuanian Securities Commission and the Securities Market Commission of the Republic of Latvia;

Noting that securities markets in Republics of Estonia, Lithuania and Latvia are emerged and braking into their upgrowth;

Desiring to exercise gathered experience in area of securities market development, oversight, supervision and regulation;

Realizing necessity to foster evolution and stability of the Baltic securities market, protect interests of investors and provide fair competition in securities market;

Forming the Baltics as the harmonized economical environment and integrating local securities markets into it;

Have agreed as follows:

#### **ARTICLE 1.**

##### **Use of terms**

For the purpose of this Protocol of Intent:

- (a) "Commissions" means the Securities Inspectorate of the Republic of Estonia, Lithuanian Securities Commission and the Securities Market Commission of the Republic of Latvia;
- (b) "Baltic Securities Market" means securities market of each country individually and overall.

#### **ARTICLE 2.**

##### **Interpretation**

1. This Protocol of Intent shall be interpreted in the light of the primary objective of enabling the Commissions fully and efficiently to co-operate in area of the Baltic Securities Market development, oversight and regulation.
2. This Protocol of Intent shall be regarded as implementing certain goals and objectives of the Commissions.

#### **ARTICLE 3.**

Commissions conceive co-operation in the following areas:

1. common principle work out of special legislation in oversight, supervision regulation and enforcement, co-ordination of legislation for common understanding;
2. integration of the regional securities market (Republics of Estonia, Lithuania, Latvia) into European global markets;
3. strategy for Estonian, Lithuanian and Latvian securities market development by setting common principles;
4. to achieve common accounting and auditing standarts for capital market transactions;
5. attracting investment companies to the region;
6. evaluation of operational integrity of trading clearance, settlement and depository systems, development of regional linkage capacity;
7. recognition of public issues in all Baltic countries which were licensed by one of the Commissions;
8. determination of common standarts for such issues and determination of the transition period for such recognition;
9. mutual recognition of decisions performed by Commissions.

#### **ARTICLE 4.**

Commissions' co-operation is carried out in the following ways:

1. organization of seminars and meetings for the Commissions' personnel;
2. providing professional training and expertise for the Commissions' personnel;
3. exchange of working experience, legislation and other legislative instruments, necessary study materials for Commissions, as well as mutual aid in personnel training and increase of expertise;
4. exchange of information about mutual interest in urgent problem research and programs;
5. creating of common data base of Estonian, Lithuanian and Latvian securities market;

This Protocol of Intent does not hold Commissions from creating and working up of other mutually acceptable ways.

#### **ARTICLE 5.**

For the implementation of this Protocol of Intent subunits of Commissions in the framework of their competence may set up proximate contacts and sign

# AGREEMENT

BETWEEN THE SECURITIES INSPECTORATE OF THE REPUBLIC OF ESTONIA, THE LITHUANIAN SECURITIES COMMISSION AND THE SECURITIES MARKET COMMISSION OF THE REPUBLIC OF LATVIA

## ON EXCHANGE OF INFORMATION

The Securities Inspectorate of the Republic of Estonia, the Lithuanian Securities Commission and the Securities Market Commission of the Republic of Latvia (hereinafter referred to as "Parties" and individually as "Party"),

**Referring** to the Protocol of Intent between the Parties,

**Desiring** to further promote and expand mutually beneficial co-operation and exchange of information between their three countries on the basis of equality and non discrimination,

**Convinced** that the exchange of information will contribute to increased mutual understanding and co-operation between the Parties,

**Conscious** that exchange of information is essential element of the bilateral relationship between the Parties,

**Desiring** to exercise gathered experience in area of securities market development, oversight, supervision and regulation;

**Realising** necessity to foster evolution and stability of the Baltic securities market, protect interests of investors and provide fair competition in securities market;

**Forming** the Baltics as the harmonised economical environment and integrating local securities markets into it;

**Have agreed as follows:**

### ARTICLE 1.

The objective of this Agreement, as elaborated more specifically in its provisions, is to establish a framework of balanced rights and agreed rules for the conduct of exchange of information between the Parties.

## ARTICLE 2.

For the purpose of this Agreement:

“Person” of a country means a citizen or permanent resident of the country or a body corporate constituted under the laws applicable in, or principally carrying on its business within, the territory of the country.

"Baltic Securities Market" means securities market of each country individually and overall.

## ARTICLE 3.

The Parties agree to exchange regularly with information which is necessary for the Parties to execute their supervisory rights on financial and credit institutions within the Baltic Securities Market. In the scope of this Agreement such an information shall be considered as:

3.1. Descriptive information about the any securities market participant (organisational structure, management, strategy etc.).

3.2. Information about the owners and shareholders of any securities market participant, amount and variety of investment.

3.3. Any information about the securities market participants' financial activities.

3.4. Any other information about the securities market participant which is regarded important by the Parties to execute their supervisory rights in the Baltic Securities Market.

3.5. Information about mutual interest in urgent problem research and programs.

## ARTICLE 4.

4.1. Exchange of information between the Parties shall be carried out in the way of solitary requests in the written form.

4.2. Parties may ask for the other Party's representative (-s) assistance in the inspection of the credit institution or securities market participant of that country.

## ARTICLE 5.

5.1. Each Party shall provide interested persons of the other Party access to available non-confidential, non-proprietary data on the national economy and service sectors, including data on foreign trade and investment.

5.2. Each Party performs the necessary activities to maintain the confidentiality of the information handed by other Party, if such information is regarded as confidential or the Party which gave such information finds its exposure unacceptable. The level of confidentiality of information is considered by the Party which gives such information.

5.3. In case one of the Parties needs to expose the information acquired according to this Agreement to the third persons, the Party's written permission which gave such information is requested.

5.4. Each Party shall allow the other Party, when interested, the opportunity to consult on the formulation of laws and regulations which govern the conduct of business activities in the field of investments and securities.



**ARTICLE 6.**

In the process of implementation of this Agreement arisen expenses will be covered by each Party apart unless another procedure will be prescribed.

**ARTICLE 7.**

This agreement shall not waive the national regulations concerning confidential information and protection of personal data.

**ARTICLE 8.**

Implementing this Agreement the exchange of information shall be carried out in English unless the Party interested in certain issue is able to use another language.

**ARTICLE 9.**

This Agreement shall come into force on the date of signature and shall remain in force until the expiration of ninety days from the date on which either one of the Parties receives from the other written notice of its desire to terminate the Agreement.

IN WHITNESS WHEREOF the undersigned, being duly authorised by their respective Institutions, have signed this Agreement.

DONE at Tallinn this twenty-first day of January, One thousand nine hundred and ninety-nine in three copies, in the English language.

**The Securities Inspectorate  
of the Republic of Estonia**



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**Marek Mägi  
Director General**

**Lithuanian Securities  
Commission**



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**Virgilijus Poderys  
Chairman**

**The Securities Market  
Commission of the  
Republic of Latvia**



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**Viktors Gustsons  
Chairman**



supplementary protocols or contracts about co-operation in specific subject.

#### ARTICLE 6.

According to the national legislation Commissions determine to give mutual assistance in the following directions:

1. requirements for brokerage companies;
2. licencing and regulating of investment companies;
3. requirements for information disclosure;
4. promoting issuance of municipal securities.

#### ARTICLE 7.

Each Commission performs the necessary activities to maintain the confidentiality of the information handed by other Commissions, if such information is regarded as confidential or the Commission which gave such information finds its exposure unacceptable. The level of confidentiality of information is considered by the Commission which gives such information.

In case one of the Commissions needs to deliver the information acquired according to this Protocol of Intent to the third persons, the Commission's written permission which gave such information is requested. Commissions will aim at changing their legal frameworks so that confidential information could be exchanged freely among the Commissions.

#### ARTICLE 8.

For the implementation of this Protocol of Intent by mutual agreement Commissions can send their personnel on service trip to the Republic of Estonia, Lithuania and/or Latvia. Necessary aid to manage the task is given to them as well as juridical defence under a right of national legislation is provided.


**The Securities Inspectorate  
of the Republic of Estonia**



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**Marek Mägi  
Director General**

**Lithuanian Securities  
Commission**



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**Virgilijus Poderys  
Chairman**

#### ARTICLE 9.

In the process of implementation of this Protocol of Intent arisen expenses will be covered by each Commission apart unless another procedure will be prescribed.

#### ARTICLE 10.

Implementing co-operation the Estonian, Lithuanian, Latvian, Russian and English languages are used according with the mutual agreement.

#### ARTICLE 11.

Terms of the present Protocol of Intent does not affect Commissions engagements in other international agreements.


#### ARTICLE 12.

The present Protocol of Intent comes into force on the day of signing and will remain in force 90 days after one of the Commissions will announce in written about its intention to terminate it.

The Protocol of Intent can be changed and supplemented by the written admission of all Commissions.

The Protocol of Intent is signed in Riga on September 30th, 1997 in three originals on three pages in English. All the originals have the same power.

**The Securities Market  
Commission of the Republic  
of Latvia**



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**Viktors Gustsons  
Chairman**